

LOCAL POLITICAL SUBDIVISION GRANT AGREEMENT

This Local Political Subdivision Grant Agreement ("Agreement") is executed to be effective on the 22nd day of October, 2008 ("Effective Date"), and is entered into by and between Inclusive Communities Project, Inc. ("ICP") and the City of Frisco, Texas ("Frisco"), also hereinafter referred to as the "Parties", and sets forth the terms upon which ICP will grant Frisco certain funds to incentivize affordable housing development in Frisco, in support of the mutual goal shared by the Parties to this Agreement to create additional affordable low income housing.

IT IS THEREFORE NOW HEREBY ACKNOWLEDGED AND AGREED by the Parties to this Agreement, ICP and Frisco, that in the shared interest of incentivizing additional affordable low income housing in Frisco, ICP will grant Frisco the sum of TWO MILLION AND NO/100 DOLLARS (\$2,000,000.00), provided that each of the conditions in the Term Sheet, attached hereto and incorporated herein as if fully set forth and made a part of the Agreement as Exhibit A, are met. In return, Frisco agrees to make said \$2 million grant available to one or more applicant developers of low income housing tax credit property to be developed in Frisco, in accord with the provisions of attached Exhibit A, the Term Sheet. ICP and Frisco also agree that the provision of such funds to an applicant developer otherwise complying with the provisions of this Agreement and the incorporated Term Sheet, Exhibit A, are strictly conditioned upon award of tax credits to said applicant developer by the State of Texas, as set forth in Exhibit A.

This Agreement is entered into pursuant to the provisions of Texas Government Code Section 2306.6710(b)(1)(E) and the local political subdivision grant programs supported by Section 49.9(i)(5) of the Texas Department of Housing and Community Affairs 2007 Qualified

Allocation Plan and Section 50.9(i)(5) of the Texas Department of Housing and Community Affairs 2008 Qualified Allocation Plan.

IT IS THEREFORE NOW FURTHER HEREBY AGREED by ICP and Frisco that in consideration of the mutual covenants and agreements set forth herein, and in the attached and incorporated Term Sheet, Exhibit A hereto, the receipt and sufficiency of which are hereby acknowledged by each of the Parties, ICP and Frisco further agree as follows:

1. The recitals set forth in this Agreement and in the attached Term Sheet, Exhibit A, are incorporated herein as if fully set forth for all purposes and are acknowledged and agreed to by the Parties. It is further agreed that ICP and Frisco are each of the authority to execute this Agreement and incorporated Term Sheet, Exhibit A, have each duly authorized and approved this Agreement and Term Sheet by resolution or order and that this Agreement and attached Term Sheet will be in full force and effect upon execution of this Agreement by duly authorized representatives of ICP and Frisco.

2. ICP and Frisco further agree that this Agreement and incorporated Term Sheet may not be amended or modified except in writing executed by the Parties hereto and authorized appropriately by same.

3. The Parties further agree that if any provisions of this Agreement and incorporated Term Sheet shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision of the Agreement or incorporated Term Sheet. Rather, the entire Agreement herein and incorporated Term Sheet shall be construed so it does not contain the particular invalid or unenforceable provision(s), and the rights and obligations of the Parties shall be construed and enforced in accord with such severability. ICP and Frisco each agree and acknowledge that if any provision

of this Agreement and incorporated Term Sheet is ever determined to be invalid or unenforceable, each intend to reform and construe any remaining provisions in this Agreement in such a manner so as to give effect to the intent to this Agreement and attached incorporated Term Sheet to the maximum extent practicable.

4. ICP and Frisco also hereby agree that this Agreement and attached Term Sheet contain and constitute the entire Agreement between the Parties hereto and nothing in this Agreement or attached Term Sheet shall be deemed to create, by implication or otherwise, any duty or responsibility on any of the Parties except those specifically set forth in this Agreement and incorporated Term Sheet. ICP and Frisco also agree that this Agreement and attached Term Sheet is not intended to, and shall not be construed as, waiving, modifying, or amending any legal defense available at law or in equity to any of the Parties, nor to create any legal rights or claims save for breach of the Agreement and incorporated Term Sheet. ICP and Frisco further understand, acknowledge and agree that nothing in this Agreement and incorporated Term Sheet waives, modifies, or alters in any way whatsoever the availability or application of any defenses of governmental immunity under the laws of the State of Texas and of the United States.

5. ICP and Frisco hereby warrant, represent, and declare that they understand the terms of the foregoing Agreement and incorporated Term Sheet, that ICP and Frisco have each had access to legal counsel of their own choosing, and that ICP and Frisco have not relied upon any statement and/or representation pertaining to this Agreement or incorporated Term Sheet except for those expressly set forth in this Agreement and incorporated Term Sheet. ICP and Frisco also agree that the Agreement and incorporated Term Sheet set forth any and all obligations of the Parties and that no other obligations are created between the Parties except as expressly set forth in this Agreement and incorporated Term Sheet, nor are the provisions of this

Agreement and attached incorporated Term Sheet to be construed as creating any legal rights to any third-party not a party to this Agreement.

6. ICP and Frisco agree that this Agreement and incorporated Term Sheet may be executed in several counterparts, each of which shall be deemed to be an original and all of which shall be deemed fully executed as of the date hereinabove set forth in this Agreement when all Parties have executed an identical counterpart, notwithstanding that all signatures may not appear on the same counterpart.

**INCLUSIVE COMMUNITIES
PROJECT, INC.**

By: Elizabeth K. Julian
(Type or print Name)

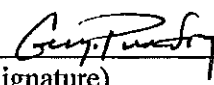
Its: President
(Type or print Title)


(Signature)

CITY OF FRISCO

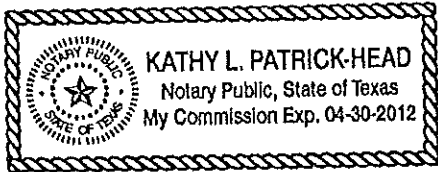
By: George Purefoy
(Type or print Name)

Its: City Manager
(Type or print Title)


(Signature)

STATE OF TEXAS)
)
COUNTY OF)

This instrument was acknowledged before me on the 16th day of October, 2008
by Elizabeth K Julian as the President of **Inclusive**
Communities Project, Inc.

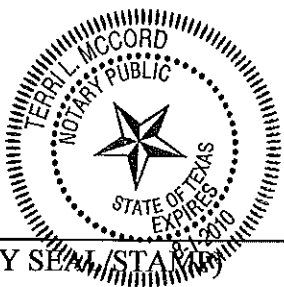


Kathy L. Patrick-Head
Notary Public, State of Texas

(NOTARY SEAL/STAMP)

STATE OF TEXAS)
)
COUNTY OF)

This instrument was acknowledged before me on the 22nd day of Oct., 2008
by George Pirefory as the City Manager of **City** of
Frisco.



Terri L. McCord
Notary Public, State of Texas

(NOTARY SEAL/STAMP)